SHELBY COUNTY

NET PROFITS LICENSE FEE RETURN

Calendar Year	or	Fiscal Year Ended Mo.	Day	Year

Questions (ALL QUESTIONS MUST BE ANSWERED FULLY)

1. Nature of Business _____
2. Federal ID or Social Security Number _____
3. If organization was discontinued, state when _____ dissolution _____ or sale of _____ if by sale, give name and address of successor _____
4. Did you have employees in Shelby County during year? Yes _____ No _____
5. Has Shelby County License Fee been withheld from all subject employees, and remitted quarterly in accordance with the regulations? Yes _____ No _____
6. Check which: _____Corporation _____Sub-Chapter S _____ Partnership _____ Individual Owner _____ Fiduciary _____ Other (state) _____
7. Telephone Number _____

MAIL IN A COPY OF STATE OR FEDERAL REQUEST FOR EXTENSION OF TIME

PLEASE MAKE OF COPY OF THIS RETURN FOR YOUR RECORDS

PLEASE NOTIFY THIS OFFICE OF ANY CHANGES IN OWNERSHIP OR NAME AND ADDRESS SHOWN ABOVE

SCHEDULE A

1. Total Gross income per Federal Return, Form _____(see attached copy) $_____
2. Total Business Deductions per Federal Return..... _____
3. Net Business income per Federal Return..... _____
4. ADD items not deductible (Line F, Schedule B) ..... _____
5. Total (Line 3 plus Line 4) ..... $_____
6. DEDUCT items not subject (Line L, Schedule B) ..... _____
7. ADJUST NET BUSINESS INCOME (Line 5 minus Line 6)..... _____
8. If Schedule C (Line 4) is used enter here AVERAGE PERCENTAGE..... _____%
9. Total Net Profit for Shelby County (Line 7 x Line 8)..... $_____
10. $10,000.00 Exemption..... $ 10,000.00
11. Net profit subject to Shelby County License Fee (Line 9 minus Line 10)..... $_____
12. Shelby County License Fee - 1% of Line 11 (maximum $15,000) _____
13. Credits – Initial Registration Fee $____ and/or Estimated Payment $ _____ _____
14. Balance (Line 12 minus Line 13)..... _____
15. Penalty 10% (Penalty waived per approved County Extension)..... _____
    Date _____/_____/_____
16. Interest of 1% per month or portion of month..... _____
17. TOTAL DUE (Line 14 plus Line 15 plus Line 16) MAXIMUM $15.000.00 $ _____
18. Overpayment..... Credit ☐ Refund ☐

***YOU MUST ENCLOSE ONE COPY OF FEDERAL RETURN AS APPLICABLE. WE CANNOT PROCESS YOUR NET PROFIT RETURN WITHOUT A COPY OF THE FEDERAL INCOME TAX RETURN.**

Make check payable to:
Shelby County Occupational License Office
Mail to:
419 Washington Street
Shelbyville, KY 40065
Phone: 502-633-7685

SCHEDULE B

ITEMS NOT DEDUCTIBLE - ADD		ITEMS NOT DEDUCTIBLE - DEDUCT	
A. State or Local taxes based on income.....$	_____	G. Interest on Corporate Bonds .....$	_____
B. License Fee under this ordinance	_____	H. Interest on U.S. Government Securities	_____
C. Net Operating Loss Deduction	_____	I. Royalties on Patents, Copyrights	_____
D. Partner's Salaries (attach schedule).....	_____	J. Dividends	_____
E. Other items (list).....	_____	K. Other items (list)	_____
F. **TOTAL ADDITIONS (enter on Line 4)**.....$	_____	L. **TOTAL DEDUCTIONS (enter on Line 6)** ...$.	_____

SCHEDULE C

BUSINESS ALLOCATION PERCENTAGE – DIVIDE (COL. A) BY (COL. B) TO OBTAIN DECIMAL. Carry out at least 6 places.

	Allocation Factors	Column A Shelby County Factor	Column B Total Factor	Column C Percentage
1.	Total Gross Business Receipts (see attached)	$	$	%
2.	Total Wages, Salaries, and Other Personal Service Compensation Paid to Employees	$	$	%
3.	TOTAL PERCENTS			%
4.	AVERAGE PERCENTAGE (Line 3 divided by number of percents)		Enter on Line 8	%

I hereby certify that the statements made herein and any supporting schedules are true, correct, and complete to the best of my knowledge.

_____ **RETURN MUST BE SIGNED** _____ _____

Signature of Individual Preparing Return *Signature of Taxpayer* *Date*

This return must be filed and paid in full on or before **APRIL 15**, or within 105 days after close of fiscal year, sale, liquidation, or transfer.

INSTRUCTIONS

The Shelby County Net Profit License Fee is levied at the annual rate of 1 percent of the net profits of all occupations, trades professions, or other businesses engaged in said activities in the County. The fee is levied against a partnership, or association as a business entity. Therefore, the individual partners or members are not required to file a return on their distributive share of the profits. The Net Profit License Fee return to be filed by all businesses having some receipts and/or payroll within Shelby County must be based on the net income as reported by the state or federal government. **The Net Profit License Fee Return must be filed before April 15, if license is a calendar year, or 105 days after the end of the fiscal year, sale, liquidation, or transfer**. Checks or money orders should be made payable to the Shelby County Occupational License Fee Administrator.

BASIS OF LICENSE FEE

In computing the amount due, the taxpayer begins with gross receipts as shown by the Federal Income Tax Return less deductions as determined by the Federal Return. Deduction for general business expense will be allowed to the extent recognized and approved as such in determining Federal Income tax, but without deduction of state and local taxes based on income. All expenses connected with the acquisition or carrying of securities, the income from which is not subject under the ordinance, is not deductible.

The Shelby County License Fee Office collects Net Profit Fees from businesses and individuals within Shelby County, excluding the city of Shelbyville. The minimum net income of $10,000.00 should be earned before any Shelby County net Profit License Fees are due. All persons shall file a return with or without the minimum net profit of $10,000.00.

*Below in the column to the left is the type of business conducted to the right is the Federal Income Tax Form on which the Form I must be based.

Sole Proprietor.....	Schedule C, 1040 Federal Tax Form
	Schedule F, 1040 Federal Tax Form
Estates and Trusts	Federal Form 1041
Partnerships	Federal Form 1065
Corporation	Federal Form 1120
Sub-Chapter S Corporation	Federal Form 1120S

INSTRUCTIONS FOR ALL TAXPAYERS

SCHEDULE A

If taxpayer pays License fee on 100% of Net Profits and has no Schedule B adjustments, he need fill in only Schedule A; however all taxpayers must answer all questions.

Line 1	Gross income per Federal Return, Form.
Line 2	Enter total deductions as shown by the Federal Return.
Line 3	Enter Net Income as shown by Federal Return.
Line 4	Add subject items totaled on Line F, Schedule B.
Line 5	Total line 3 and 4.
Line 6	Deduct items not subject totaled on Line L of Schedule B.
Line 7	Enter Line 5 less Line 6.
Line 8	Enter average percentage as determined on Schedule C.
Line 9	Enter Net Profit – Line 7 x Line 8
Line 10	Enter $10,000.00 exemption
Line 11	Enter Line 9 minus Line 10
Line 12	Enter profits subject to Shelby County License Fee. Mulitply Line 11 by 1% - Maximum $15,000.
Line 13	Deduct Credits.
Line 14	Balance – Line 12 minus Line 13
Line 15	Penalty 10%
Line 16	Interest 1% per month
Line 17	Enter amount due (Line 14 plus Line 15 plus Line 16). Maximum total $15,000

If an extension is necessary, a written request and copy of State or Federal application for extension must be submitted to the Shelby County Occupational Tax office before the due date of the Net Profit License Fee Return. If extension is granted, enter date on Line 15. Interest remains due from original due date (See Line 16).

SCHEDULE B

Schedule B is provided for the licensee to add (Line A-E) items which are subject to the License Fee. Most of these appear as a part of the deductions taken on the Kentucky Return; therefore, they must be added back on Line 4. Lines G-K of schedule B provide for the specific deduction of items not subject to the License Fee. Many of these items are only taxable for Kentucky or Federal Income Tax purposes so they must be deducted on Line 6. Attach applicable schedule explaining any deductions on Line K.

SCHEDULE C

Schedule C must be completed by taxpayers with business receipts and/or payroll within Shelby County both within and outside the city limits of Shelbyville. Completion of the schedule allocates to Shelby County the proportionate part of the Taxpayer's total business activity attributes to the County. However, if one of the two factors (business receipts or payroll factor) is missing the remaining factor is the Average of Business Allocation percentage (line 4 of Section C).